GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:6433
ANSWERED ON:08.05.2002
SPECIAL SCHEME BY KVIC
ABDUL RASHID SHAHEEN;MADAN PRASAD JAISWAL

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Khadi and Village Industries Commission has formulated and implemented any special scheme to promote Khadi and Gramodyog in Bihar and Jammu and Kashmir;

(b) if so, the details thereof;

(c) if not, the reasons therefore; and

(d) the role of KVIC so far in promoting Gramodyog (Village Industries) in Bihar and Jammu and Kashmir?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a): No, Sir.

(b): Does not arise.

(c) & (d): The Khadi and Village Industries Commission (KVIC) is already implementing the Rural Employment Generation Programme throughout the country including Bihar and Jammu and Kashmir for setting up agro and rural industries. Under this scheme, the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs, rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. In the case of SC/ST/OBC/Women/ Physically Handicapped/Ex-Servicemen and Minority Community beneficiary / institution and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs but above this amount and upto Rs. 25 lakhs it is 10% of the remaining cost of the project. Under this scheme, the beneficiary is required to contribute a minimum 10% of the project cost. In case of SC/ST and other disadvantaged sections, beneficiary`s contribution is only 5% of the project cost. This scheme is being implemented through Public Sector banks, Regional Rural Banks etc. Moreover, the Government of India has announced a package for the development of Khadi and Village Industries sector on 14.5.2001. The package has been devised in accordance with the Government`s prime objectives of creating more jobs in rural areas and empowering the women and backward classes in India. The main package inter-alia has a provision for a Rebate Policy for five years, option of Rebate and Market Development Assistance (MDA), Insurance cover the Khadi artisans, emphasis on improvement of Khadi products, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc.